Honolulu, Hawaii Februa M 27 , 2014

RE: H.B. No. 1900 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1900 entitled:

"A BILL FOR AN ACT RELATING TO THE TAXATION OF DESTINATION CLUBS,"

begs leave to report as follows:

The purpose of this measure is to ensure equity in the application of taxes imposed on transient accommodations by providing for the taxation of destination clubs. This measure, among other things:

- (1) Establishes a tax on annual destination club dues apportioned to the State; and
- (2) Requires destination club membership plan managers to represent the destination club membership plan, pay the imposed tax, register with the Department of Taxation, and keep records of annual destination club dues apportioned to the State.

The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

(1) Making the tax an unspecified percentage of the annual destination club dues apportioned to the State;

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- (2) Changing its effective date to July 1, 2030, for the purpose of facilitating further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1900, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1900, H.D. 1.

Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUNE, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature

HSCR 866-14

Record of Votes of the Committee on Finance

	Committee Referral:		Date:		
HB 1900	TOU, FIN		2/25/2014		
☐ The committee is reconsidering its previous	s decision on the measure.			e e e e e e e e e e e e e e e e e e e	
The recommendation is to: □ Pass, unamended (as is) Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)					
FIN Members	Ayes	Ayes (WR)	Nays	Excused	
1. LUKE, Sylvia (C)		RATERIA.			
2. NISHIMOTO, Scott Y. (VC)					
3. JOHANSON, Aaron Ling (VC)					
4. CULLEN, Ty J.K.				·	
5. HASHEM, Mark J.					
6. ING, Kaniela		CC 2 19-1000-07-08-1900-02-1911-1900-07-08-08-08-08-08-08-08-08-08-08-08-08-08-	MANAGARAN MANAGA		
7. JORDAN, Jo					
8. KOBAYASHI, Bertrand			Carroles danal magasazatinakan mise	IN The collision behind the Program of the Common	
9. LOWEN, Nicole E.		Section of the sectio			
10. MORIKAWA, Dee		**************************************	Ph/82 5775 2 20 170 5 4 170 18 20 17 1 18 10 10 10 10 10 10 10 10 10 10 10 10 10	Ann ann an	
11. ONISHI, Richard H.K.					
12. TAKAYAMA, Gregg					
13. TOKIOKA, James Kunane					
14. WOODSON, Justin H.					
15. YAMASHITA, Kyle T.					
16. FUKUMOTO, Beth					
17. WARD, Gene					
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TOTAL (17)	16	·			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature:					
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